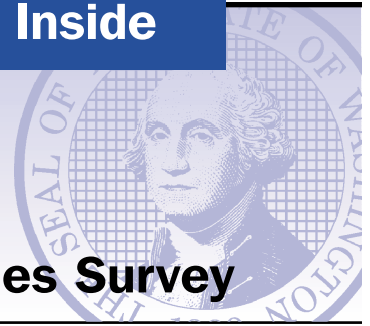


Washington State Senator

Survey Inside

James West

2002 Session Update and Legislative Issues Survey



Dear Friends,

I hope you enjoyed the holiday season, and I wish you have a happy 2002. For me, the new year means a return to Olympia. The Legislature's 60-day session began January 14. Some huge challenges face us this year, but then huge challenges face us most every year. The major issues will focus around the economy, the budget shortfall and transportation.

Last March, we started a decline in our economy which became a recession. After September 11th, the recession deepened and today the state finds itself with a \$1.2 billion deficit and thousands of laid off workers. Clearly, we must do something to restore jobs and get people back to work. Last spring Senate Republicans launched a program called "Working for Washington" to identify those impediments to a good state economy. Please read more about it in this newsletter and on our Web site.

I believe a strong transportation system is key to maintaining a healthy job and business base, and is especially important to ensuring future economic growth opportunities. The Legislature has struggled for several years to agree on a plan to relieve congestion and improve our system. We came close to an agreement last year, and I'm hopeful that we will soon have a plan that people will find credible. A strong bipartisan plan that passes the Legislature overwhelmingly will pave the way for a strong bipartisan campaign to show people that we can work together, and that their vote will make a difference.

The budget is the other big issue. Just last year at this time, we had about \$1.2 billion in our reserves and surplus, but the majority of legislators chose to spend the money in the budget. Now that the good times have peaked, we find ourselves without the reserves we need to protect our most vulnerable citizens. This really brings home the need to save in good times to prepare for bad times.

As the leader of the Senate Republicans, I know that we are ready and willing to work with other legislators in a bipartisan manner to help solve Washington's problems. We will offer good-faith ideas and suggestions on how to help stimulate the economy, balance the budget and fix transportation. People don't care about Democrats or Republicans. They just care that the economy is suffering and that their friends and neighbors, and in some cases themselves, are not working. We hope our Democratic colleagues in the Legislature will work with us on positive solutions for our most pressing problems.

I'm fortunate to serve you and our community. As always, please don't hesitate to contact me if you have questions or comments about issues, or if you have a problem involving state government.

Sincerely,

Senator James E. West
Republican Leader

Fixing the economy means improving the business climate

Washington is in its first recession since 1981. There were 46,294 layoffs throughout the state in the past year. In Spokane County, there were 1,632 layoffs in 2001. Many businesses, individuals and families are struggling.

This is a very serious problem that should be the Legislature's top priority.

One reason for the recession and loss of jobs is Washington's mediocre business climate. Contrary to what some say, the business climate isn't good.

Consider where Washington ranks nationally in these categories that affect business:

- Unemployment tax liability – 1st highest
- Sales tax rate – 1st highest
- Minimum wage – 1st highest
- Failure rate of new corporations – 1st highest
- Traffic-congestion (Seattle-Everett area) – 2nd worst
- Unemployment benefits duration – 2nd worst
- Regulatory burden – 5th highest
- Federal, state and local tax burden – 5th highest

All of these factors contribute to a climate that makes it harder for

"There were 46,294 layoffs throughout the state in the past year. In Spokane County, there were 1,632 layoffs in 2001."

Washington to attract companies that want to relocate or expand. It makes it harder for our existing companies to thrive here. That, in turn, makes it harder to create and retain good-paying jobs. If we want to help end the recession and turn our economy around, we need to take steps to create a better business climate.

Starting last summer, Senate Republican Caucus members conducted a listening tour on the jobs and business climate. We met with local "Main Street" businesspeople in cities and towns throughout Washington, including a meeting that Sen. Larry Sheahan and I held in Spokane. We heard them talk about what was wrong with our business climate and how it could be improved. After the listening tour ended, we compiled a lengthy report, called the Working for Washington study, that included recommendations from participating business owners.

This session, Senate Republicans have introduced an economic stimulus package designed to improve the business climate and help create more jobs.

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I'm focusing much of my time on improving our business climate. That's why I have introduced two bills in our economic stimulus package:

- **SB 6251 requires the governor to approve all proposed agency rules.** Since the governor must sign all bills approved by the Legislature for them to become law, it makes sense to require the governor to do the same thing with rules.
- **SB 6252 limits the rule-making authority of certain government entities to only those instances in which the Legislature has specifically granted it.** Nowadays, some agencies implement rules that are much broader than the Legislature intended.

While the Legislature can help improve the business climate and economy by passing bills, the best way to achieve this is for the governor to exercise his power. With the stroke of his pen, the governor can force agencies to change how they treat businesses and individuals. Instead of treating them as enemies, as is often the case now, regulators at certain agencies should treat them as customers and clients.

Trying to keep health care costs down

As many of us have elderly parents, we see how quickly the cost of health care is rising; making it more difficult to receive the treatment needed. It is a burden on everyone. We need to keep our vital services up and running to protect the most vulnerable in our community. I will be looking for solutions to the rising cost of health care that protect families, children and the elderly.

Working for a strong education system



Last year, many other senators and I focused on implementing alternative routes to teacher certification (SB 5695) and integrating technology into the classroom (SB 5906). Senate Bill 5695 passed, and Governor Locke signed it into law. For 2002, I will continue to focus on integrating technology into the classroom. I support parents and their desire to have their children prepared for a lifetime of

Operating budget goal: fixing a \$1.2 billion hole

The state operating budget is currently out of balance by \$1.2 billion.

A key reason for this problem is the \$22.8 billion budget passed by the Legislature and Gov. Locke last June. When it was passed, the budget spent \$700 million more than the state was expected to bring in. Other legislators and I argued that the budget was unsustainable and could leave us vulnerable in case a recession struck.

Unfortunately, the events of the past few months proved us correct. Washington's economy, which began slowing down last March, fell sharply when Boeing announced its massive layoffs. Since our state's revenue is generated by the state sales tax, our revenue situation suffers when our economy suffers.

While serious, the current recession isn't nearly as disastrous from a fiscal standpoint as the one 20 years ago. During the 1981-83 downturn, there was a 9.1 percent reduction in state tax revenue from the prior biennium, while the current downturn so far has seen only a 0.4 percent drop in state tax revenue. There is no need to raise taxes or cut

essential services. Prudent changes can bring the state's fiscal house in order. The real concern is if such changes are not made now and we don't make the budget sustainable, then we might truly face an early 1980s-type budget disaster in the 2003-05 biennium.

I will maintain my strong support for a budget that protects our vital and essential services for taxpayers and our most vulnerable citizens.

One of my Senate Republican colleagues has proposed a set of cost-cutting proposals I like to call "The RIGHT Stuff," which aims to preserve essential services while eliminating unnecessary expenses. "The RIGHT Stuff" includes:

- Reduce employment costs
- Institute a "best practices" model for medical expenditures
- Give agency heads authority to contract out where appropriate
- Help identify and implement administrative efficiencies
- Take support costs down to a reason-

able level

A hiring freeze for nonessential state services could save taxpayers \$153 million over the next 18 months. Essential agencies and programs would be exempt from the hiring freeze, including children and family services, schools

for the deaf and blind, and mental health institutions. K-12 teachers and college instructors also would be protected.

We also need to reduce other costs. Over the past five years, out-of-state travel for state workers has grown at nearly nine times the rate of inflation. Training retreats and conferences have risen at four times the inflation rate, and furnishings and equipment purchases have risen three times that rate. By cutting these and other costs to a reasonable level, we could save the state nearly \$300 million.

"I will maintain my strong support for a budget that protects our vital and essential services for taxpayers and our most vulnerable citizens."

Legislature needs to send transportation funding package to voters

Shortly before session began, I urged Gov. Locke and the Legislature to "fast-track" a transportation funding plan and place it on the ballot this March as a referendum. My Republican colleagues and I realize we need to find a solution for our traffic congestion problems quickly.

My goal was for the Legislature to approve the plan by January 25 so it could be placed on the ballot for a special statewide election on March 12. Unfortunately, this didn't happen.

It has become increasingly obvious that if the Legislature passed a spending plan on its own without letting citizens

vote on it, initiative master Tim Eyman would succeed in gathering enough signatures to place the plan on the ballot in November. Rather than wait for that to happen, the Legislature should control the situation by placing a spending plan on the ballot – the sooner, the better.

If Washington voters were to approve the transportation funding package in a March election, money could be provided for many road projects during the upcoming construction season. If voters rejected it, legislators could work on a different plan and send that back to the voters a few months later.

"Traffic problems not only hurt our quality of life, they also hurt our economy."



The longer we delay enacting a long-term transportation funding package, the worse congestion will become on our busy highways. Traffic problems not only hurt our quality of life, they also hurt our economy.

Don't hesitate to contact me if you need help

There are times when citizens get the "run-around" from a state agency or encounter some other problem involving state government. They might feel helpless and not know what to do. If that happens, feel free to contact me. One of my jobs as your state senator is to help you deal with problems involving state government.

My legislative assistants, Nancy Atwood and Brian Murray, are excellent at helping solve problems for 6th District constituents and other people in the Spokane area. Just consider this case:

Last fall, a Spokane woman who was laid off due to the bad economy sought

help from my office. She had called the state Employment Security department but didn't receive the help she needed. The woman came to my district office. Brian listened to the woman's concerns, contacted the state Employment Security and quickly resolved the problem with the department.

We might not be able to completely solve every problem presented to us, but we certainly will try our best and do what we can. My assistants and I care very much about Spokane and its people. We know these are tough times for many. That's why we're very willing to help.



Senator West (right) catches up on local issues with Spokane residents Joseph Kerlee (left) and Dave Winfrey (middle).

How to contact me:

E-mail: west_ja@leg.wa.gov

In Olympia

(staffed by Nancy Atwood):

Office address: 302 Legislative Bldg.

Mailing address:

PO Box 40406

Olympia, WA 98504-0406

(360) 786-7610

In Spokane (open during nonsession months and staffed by Brian Murray):

Mailing address:

PO Box 2744

Spokane, WA 99220

(509) 456-7087

Toll-free Legislative Hotline:

1-800-562-6000

TTY: 1-800-635-9993

Legislative information via Internet:

www.leg.wa.gov

Access Washington Web site:

<http://access.wa.gov>

Senate Republican Caucus Homepage:

www.src.wa.gov/members/west.htm



A group of Spokane businessmen — Mark Newbold, Dan McMahon, Dean Byus and Bob Harley (left to right) — meet with Senator West during a recent visit to Olympia.

2002 Session Update



Sen. James West
WASHINGTON STATE SENATOR
6th LEGISLATIVE DISTRICT
PO Box 40406, Olympia, WA 98504-0406

Survey Inside

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